



Northern Trails  
Area Education Agency  
Box M  
Clear Lake, IA 50428-0613  
(641)357-6125  
FAX: (641)357-3201

DOCKET FILE COPY ORIGINAL

Dr. Dean Meier, Chief Administrator  
Gerald Schnabel, Director Information  
and Technology Services  
Dr. Anne Lundquist, Director Educational Services  
Dr. Gerald Stremel, Director Special Education

*Your Partner in Quality Education*

August 16, 2002

FCC  
Office of the Secretary  
445-12th Street SW  
Washington, DC 20554

RECEIVED & INSPECTED  
AUG 26 2002  
FCC - MAILROOM

RE: Administrator's Decision on Appeal-Funding Year 2001-2002  
CC Docket Nos. 96-45 and 97-21  
Billed Entity Number 131994  
471 Application Number 219137  
Funding Request Number 602432

On August 24, 2001, an appeal of a funding decision was submitted to the Schools and Libraries Division. A letter dated July 26, 2002 denied the appeal. We wish to appeal the decision.

The original request was for local phone service, a telecom service. Upon review, SLD determined that more than 30% of the request was for internal connections and changed the request to an internal connections request. Since our poverty level did not meet the criteria for funding of internal connections, our request was denied. This was reiterated in the most recent Administrator's Decision.

Unfortunately, the basis of our appeal was not addressed in the Administrator's Decision.

As stated in our appeal, the original request was for local telephone service. Upon examination of the original attachment, we discovered that the grand annual total, which included both telecom and internal connections, as well as the subtotal for just telecom services, was listed directly under a column labeled "Telecom Service". This caused confusion and a mistake was made in using the grand total of \$7727 (rounded to \$7800), which included internal connections rather than the subtotal of \$4848 which was strictly telecom. We believe the SLD could also identify this mistake from the information provided.

Based on the attachment and the preceding information, we believe criteria number 2 of the "SLD Guidelines for Review", posted on the SLD web site has been met. We believe "the appeal makes clear that the applicant made a mistake in information provided in or with the application leading to funding denial and that SLD could have identified the mistake from the information provided by the application".

We respectfully request that the FCC fund in full our request of \$4848 for local telephone service for Year 4, based on criteria number 2 of the "SLD Guidelines for Review".

Sincerely,

  
Jerry Schnabel

enclosures

No. of Copies rec'd 014  
List ABCDE

**Original Attachment for Local  
Telephone Service**

CL TEL  
PO Box 66  
Clear Lake, IA  
50428

Northern Trails AEA  
School & Library Fund - USF Fund  
July 2001 - June 2002

#12

LOCATION	PHONE	USOC	DESCRIPTION	TELECOM SERVICE			Internal Connection		INTERNET	K5A, K5B ITEMS EXEMPT	TOTAL CHARGES Including Exempt
				BT LINE CHG	E911	IAC	WIRE MAINT	KEY SYSTEM			
ST-265-9184B	3577973	IB	IAC-MULTI LINE BUSINESS			6.00					6.00
ST-265-9184B	3577973	KBT	LINE CHG-KEY-BUSINESS-TT	13.50							13.50
ST-265-9184B	3577973	M	MAINTENANCE-INSIDE WIRE				0.50				0.50
<b>3577973 Total</b>				<b>13.50</b>	<b>0.50</b>	<b>6.00</b>	<b>0.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20.50</b>
ST-265-9184B	3578220	BT	LINE CHG-BUSINESS-TT	13.50							13.50
ST-265-9184B	3578220	E9C	E911 CHARGE-CERRO GORDO		0.50						0.50
ST-265-9184B	3578220	IB	IAC-MULTI LINE BUSINESS			6.00					6.00
ST-265-9184B	3578220	M	MAINTENANCE-INSIDE WIRE				0.50				0.50
ST-265-9184B	3578220	NP	NON PUBLISHED & NO DA							0.50	0.50
<b>3578220 Total</b>				<b>13.50</b>	<b>0.50</b>	<b>6.00</b>	<b>0.50</b>	<b>-</b>	<b>-</b>	<b>0.50</b>	<b>21.00</b>
ST-265-9184B	3578229	BT	LINE CHG-BUSINESS-TT	13.50							13.50
ST-265-9184B	3578229	E9C	E911 CHARGE-CERRO GORDO		0.50						0.50
ST-265-9184B	3578229	IB	IAC-MULTI LINE BUSINESS			6.00					6.00
ST-265-9184B	3578229	M	MAINTENANCE-INSIDE WIRE				0.50				0.50
ST-265-9184B	3578229	NP	NON PUBLISHED & NO DA							0.50	0.50
<b>3578229 Total</b>				<b>13.50</b>	<b>0.50</b>	<b>6.00</b>	<b>0.50</b>	<b>-</b>	<b>-</b>	<b>0.50</b>	<b>21.00</b>
ST-265-9184B	3578880	BT	LINE CHG-BUSINESS-TT	13.50							13.50
ST-265-9184B	3578880	E9C	E911 CHARGE-CERRO GORDO		0.50						0.50
ST-265-9184B	3578880	IB	IAC-MULTI LINE BUSINESS			6.00					6.00
ST-265-9184B	3578880	M	MAINTENANCE-INSIDE WIRE				0.50				0.50
<b>3578880 Total</b>				<b>13.50</b>	<b>0.50</b>	<b>6.00</b>	<b>0.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20.50</b>
<b>Grand Total</b>				<b>293.50</b>	<b>8.50</b>	<b>102.00</b>	<b>8.00</b>	<b>231.92</b>	<b>-</b>	<b>1.95</b>	<b>645.87</b>
<b>ST-265-9184B Total</b>				<b>293.50</b>	<b>8.50</b>	<b>102.00</b>	<b>8.00</b>	<b>231.92</b>	<b>-</b>	<b>1.95</b>	<b>645.87</b>
<b>Grand Total</b>				<b>293.50</b>	<b>8.50</b>	<b>102.00</b>	<b>8.00</b>	<b>231.92</b>	<b>-</b>	<b>1.95</b>	<b>645.87</b>
<b>Subtotal by Service - Monthly</b>				<b>404.00</b>			<b>239.92</b>		<b>-</b>		
<b>Subtotal by Service - Annual</b>				<b>4,848.00</b>			<b>2,879.04</b>		<b>-</b>		
<b>Grand Total - Monthly</b>				<b>643.92</b>							
<b>Grand Total - Annual</b>				<b>7,727.04</b>							

**Original 471 Request**

**January 17, 2001**

FRN: 602432	
11. Category of Service: Telecommunications Service	12. 470 Application Number: 467430000161668
13. SPIN: 143001934	14. Service Provider Name: Qwest Corporation fka US West Communications
15. Contract Number: NA	16. Billing Account Number: 641-357-6125
17. Allowable Contract Date: 02/26/1999	18. Contract Award Date: 03/22/1999
19a. Service Start Date: 07/01/2001	19b. Service End Date:
20. Contract Expiration Date: 06/30/2002	22. Block 4 Worksheet No.: 248067
21. Attachment #: 12	23b. Ineligible monthly amt.: \$0.00
23a. Monthly Charges: \$650.00	23d. Number of months of service: 12
23c. Eligible monthly amt.: \$650.00	23g. Ineligible non-recurring amt.: \$0.00
23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d): \$7,800.00	
23f. Annual non-recurring (one-time) charges: \$0.00	
23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g): \$0.00	
23i. Total program year pre-discount amount ( 23e + 23h): \$7,800.00	
23j. % discount (from Block 4): 59	
23k. Funding Commitment Request ( 23i x 23j): \$4,602.00	

FRN: 602829	
11. Category of Service: Telecommunications Service	12. 470 Application Number: 228750000303494
13. SPIN: 143005231	14. Service Provider Name: Qwest Corporation fka US West Communications
15. Contract Number: T	16. Billing Account Number: 641-454-2137
17. Allowable Contract Date: 11/30/2000	18. Contract Award Date:
19a. Service Start Date: 07/01/2001	19b. Service End Date: 06/30/2002
20. Contract Expiration Date:	22. Block 4 Worksheet No.: 248067
21. Attachment #: 13	23b. Ineligible monthly amt.: \$0.00
23a. Monthly Charges: \$425.00	23d. Number of months of service: 12
23c. Eligible monthly amt.: \$425.00	23g. Ineligible non-recurring amt.: \$0.00
23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d): \$5,100.00	
23f. Annual non-recurring (one-time) charges: \$0.00	
23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g): \$0.00	
23i. Total program year pre-discount amount ( 23e + 23h): \$5,100.00	
23j. % discount (from Block 4): 59	
23k. Funding Commitment Request ( 23i x 23j): \$3,009.00	

FRN: 623673	
11. Category of Service: Telecommunications Service	12. 470 Application Number: 228750000303494
13. SPIN: 143001123	14. Service Provider Name: WorldCom, Inc.
15. Contract Number: T	16. Billing Account Number: 641-357-6125
17. Allowable Contract Date: 11/30/2000	18. Contract Award Date:
19a. Service Start Date: 07/01/2001	19b. Service End Date: 06/30/2002
20. Contract Expiration Date:	22. Block 4 Worksheet No.: 248067
21. Attachment #: 14	23b. Ineligible monthly amt.: \$0.00
23a. Monthly Charges: \$483.00	23d. Number of months of service: 12
23c. Eligible monthly amt.: \$483.00	23g. Ineligible non-recurring amt.: \$0.00
23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d): \$5,796.00	
23f. Annual non-recurring (one-time) charges: \$0.00	
23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g): \$0.00	
23i. Total program year pre-discount amount ( 23e + 23h): \$5,796.00	
23j. % discount (from Block 4): 59	
23k. Funding Commitment Request ( 23i x 23j): \$3,419.64	

FRN: 632342	
11. Category of Service: Internal Connections	12. 470 Application Number: 677570000336024
13. SPIN: 143005034	14. Service Provider Name: Van Meter Telecommunications, Inc.
15. Contract Number: NA	16. Billing Account Number: 641-357-6125
17. Allowable Contract Date: 01/15/2001	18. Contract Award Date: 01/15/2001
19a. Service Start Date: 07/01/2001	19b. Service End Date:
20. Contract Expiration Date: 06/30/2002	22. Block 4 Worksheet No.: 248067
21. Attachment #: 15	23b. Ineligible monthly amt.: \$0.00
23a. Monthly Charges: \$0.00	23d. Number of months of service: 12
23c. Eligible monthly amt.: \$0.00	23g. Ineligible non-recurring amt.: \$0.00
23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d): \$0.00	
23f. Annual non-recurring (one-time) charges: \$5,605.00	
23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g): \$5,605.00	
23i. Total program year pre-discount amount ( 23e + 23h): \$5,605.00	
23j. % discount (from Block 4): 59	
23k. Funding Commitment Request ( 23i x 23j): \$3,306.95	

Top

**Original Letter of Appeal  
to the  
Schools and Libraries Division**

**August 24, 2001**



**Northern Trails  
Area Education Agency**  
Box M  
Clear Lake, IA 50428-0613  
(641)357-6125  
FAX: (641)357-3201

Dr. Dean Meier, Chief Administrator  
Gerald Schnabel, Director Information  
and Technology Services  
Dr. Anne Lundquist, Director Educational Services  
Dr. Gerald Stremel, Director Special Education

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*Your Partner In Quality Education*

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August 24, 2001

Letter of Appeal  
Schools and Libraries Division  
Box 125-Correspondence Unit  
80 South Jefferson Road  
Whippany, NJ 07981

The following is an appeal of a funding letter decision. I provide the following information in the order outlined on the "Appeals Procedure" posted on the SLD website:

Contact Information:  
Jerry Schnabel  
Northern Trails Area Education Agency  
9184 B 265th St.  
Clear Lake, IA 50428  
Voice-641-357-6125  
Fax-641-357-3201  
jschnabel@aea2.k12.ia.us

Regarding Funding Commitment Decision Letter dated August 7, 2001  
Year 4 Funding year  
Applicant Name: Northern Trails Area Education Agency  
Form 471 Application Number 219137  
Billed Entity Number 131994  
FRN 602432

Funding request Number 602432 was not funded. The reason stated was "more than 30% of FRN is a request for internal connections (IC) and moved to IC category. Funding cap will not provide for IC < 80%"

The original request was for a total of \$7800 for local telephone service. The original attachment (a copy is enclosed) was broken down into telcom service and internal connections. The original request was for the grand total for both services. The request should have been only for the subtotal of \$4848 listed for the telcom services. The request was not listed nor intended as an internal connections request.

Based on the attachment and the preceding information, I believe criteria number 2 of the "SLD Guidelines for Review", posted on the SLD website has been met. I believe "the appeal makes clear that the applicant made a mistake in information provided in or with the application leading to funding denial and that SLD could have identified the mistake from the information provided by the application".

I request that telephone service of \$4848 be funded for Year 4.

Sincerely,

Jerry Schnabel

enclosure

**Administrator's Decision on Appeal  
Funding Year 2001-2002**

**July 26, 2002**





**Universal Service Administrative Company**  
Schools & Libraries Division

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**Administrator's Decision on Appeal - Funding Year 2001-2002**

July 26, 2002

Jerry Schnabel  
Northern Trails Area Education Agency  
9184 B 265<sup>th</sup> Street  
Clear Lake, IA 50428

Re:      Billed Entity Number:            131994  
         471 Application Number:        219137  
         Funding Request Number(s):    602432  
         Your Correspondence Dated:    August 24, 2001

After thorough review and investigation of all relevant facts, the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("USAC") has made its decision in regard to your appeal of SLD's Year Four Funding Commitment Decision for the Application Number indicated above. This letter explains the basis of SLD's decision. The date of this letter begins the 60-day time period for appealing this decision to the Federal Communications Commission ("FCC"). If your letter of appeal included more than one Application Number, please note that for each application for which an appeal is submitted, a separate letter is sent.

Funding Request Number:            602432  
Decision on Appeal:                **Denied in full**  
Explanation:

- In your letter of appeal you state that that your original funding request was for Telecom Service at \$7,800.00 annually. This request includes charges for Telecomm equipment maintenance that is categorized as Internal Connections. You state that your intent was to request funding for the Telecomms portion of these charges only, and that the PIA reviewer should have known your intent based on your Item 21 attachments. You have requested us to fund the Telecommunications portion of your funding request.
- Upon thorough review of this appeal it was determined that your original Item 21 documentation for this funding request supported a monthly billing of \$643.92. Of this amount \$239.92 (37%) was for equipment maintenance. Program rules require that applicant owned equipment, as well as its maintenance, be classified as Internal

Connections. Program rules also require that if greater than 30% of a funding request for Telecommunications or Internet Access includes Internal Connections, the entire FRN must be reclassified to Internal Connections and processed as such. Upon inquiry from SLD Program Compliance you have verified that you own the equipment being maintained, therefore, maintenance on this equipment must be classified as Internal Connections. You have further requested that SLD fund the eligible Telecommunications portion of this funding request. Program rules do not allow for this request. As 37% of your funding request was for maintenance on equipment that you own this funding request was properly reclassified as Internal Connections. As the funding cap will not provide for Internal Connections be funded to applicants with less than 85% discount, your appeal is denied.

- The services you listed as telecommunications on your Form 471 included some internal connections services. FCC rules require that where demand for funding exceeds available support, first priority be given to requests for telecommunications services and Internet access. *See* 47 C.F.R. §54.507(g)(1)(i). FCC rules further require that requests for internal connections be given second priority, and be funded only if funds remain after support has been provided for telecommunications and Internet access through all discount levels in a funding year. *See* 47 C.F.R. § 54.507(g)(1)(ii). Where demand for discounts for internal connections exceeds available support, FCC rules require funding be awarded first to applicants eligible for a ninety percent discount level, and then at each descending single discount percentage until funds are depleted. *See* 47 C.F.R. § 54.507(g)(1)(iii). Program procedures further require that funding requests for telecommunications/Internet access services that include internal connections services be re categorized as internal connections services to prevent priority two services (internal connections) being treated as priority one services (telecommunications and Internet access services) for funding decisions.
- Since your Form 471 included some internal connections services: {key system equipment maintenance} within your Block 5 request for priority one services, your Form 471 request has been re categorized as a request for internal connections services. For Funding Year Four, there are not sufficient funds to provide internal connections discounts to applicants at your discount rate. Your discount eligibility is 59%. Consequently, SLD denies your appeal because there is insufficient funding for Funding Year Three to provide discounts for internal connections requests to applicants that are below the 85% shared discount level.

If you believe there is a basis for further examination of your application, you may file an appeal with the Federal Communications Commission (FCC) via United States Postal Service: FCC, Office of the Secretary, 445-12<sup>th</sup> Street SW, Washington, DC 20554. If you are submitting your appeal to the FCC by other than United States Postal Service, check the SLD web site for more information. Please reference CC Docket Nos. 96-45 and 97-21 on the first page of your appeal. **The FCC must RECEIVE your appeal WITHIN 60 DAYS**

**OF THE ABOVE DATE ON THIS LETTER for your appeal to be filed in a timely fashion.** Further information and new options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site, [www.sl.universalservice.org](http://www.sl.universalservice.org).

We thank you for your continued support, patience, and cooperation during the appeal process.

Schools and Libraries Division  
Universal Service Administrative Company